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TAGS: [PGOV](#) [PINR](#) [PHUM](#) [PE](#)
SUBJECT: GARCIA OFF TO GOOD START, SAYS APRA INSIDER DEL
CASTILLO

Classified By: Poloff David Brooks for Reasons 1.4 (b,d)

¶1. (C) Summary: APRA insider Jorge del Castillo told the Ambassador April 25 that Alan Garcia is steering clear of public discussion of coalitions until after the second round of Presidential elections; Garcia feels (correctly, we judge) that opening talks with the Flores and Paniagua camp would hurt his ability to compete with Humala for the votes of the disaffected. That said, if Garcia wins the Presidency, APRA is interested in forming a formal coalition with Lourdes Flores, Unidad Nacional and Paniagua,s Frente del Centro to secure a congressional majority. APRA would even be willing to fold its partners into the cabinet. Del Castillo said that Garcia wants to downplay the US-Peru FTA until after the election but wants the agreement to be ratified by the present Congress. He also thought that Garcia would want to visit Washington in June, if he wins, to demonstrate that he can earn support from the USG and US investors. Del Castillo believed that the Chavez/Evo Morales, attack on the Andean Community was hurting Humala. While cautioning that APRA could not afford to be overconfident, the campaign was off to a good start for Garcia. End Summary.

¶2. (C) Ambassador met with APRA Congressman and party co-Secretary General Jorge del Castillo on April 25 to get his sense of Alan Garcia,s strategy for winning the Presidential election and governing thereafter. (Note: Ambassador requested a meeting with Garcia, but the latter is holding off meeting with people outside of his party until after he is officially declared a second round contender.)

¶3. (C) The Ambassador said that he was coordinating closely with the GOP on FTA ratification and wanted to make sure that this was done in such a way as to avoid problems for Garcia during the campaign. Del Castillo appreciated the chance to coordinate with the USG on the issue. He said that the middle of a campaign was not the best time for APRA to discuss the FTA--that would only play into Humala's hands. "The less politicized (the FTA issue), the better," he concluded. For that reason, Del Castillo said, he had asked the business federation CONFIEP to delay the pro-FTA commercials it was about to run. If he won the election, del Castillo said, Garcia would push to have the FTA ratified by the present Congress. (Comment: While Del Castillo said that FTA should not be politicized, the real issue is that Garcia will hurt his chance to win votes in the Sierra if he is forced to defend the FTA; Garcia is already doing well along the coast where the FTA is popular. CONFIEP has told us that to accommodate Garcia, it will hold off on high-profile TV ads but will go ahead with its campaign in Southern Peru where anti-FTA groups are running their

material unopposed.)

¶4. (C) Del Castillo asked whether, if Alan Garcia is elected President, it might be possible for Washington to give some early sign of support. He suggested that a June visit to Washington to meet with USG officials and investors would be a good way to do this. Ambassador replied that this struck him as a good idea and he would consult with Washington colleagues about it.

¶5. (C) Del Castillo said that the Garcia campaign was off to a good beginning. He predicted that Humala would try to move to the political center, mollifying his image, but that this would be difficult due to continued outbursts by the unpredictable UPP Congressman-elect Abugattas, Humala's eccentric family, etc. Del Castillo said that the latest moves by Hugo Chavez and Evo Morales*Venezuela,s withdrawal from the CAN and Chavez, and Morales' attempts to link Peru's FTA with the US to CAN membership--had backfired and hurt Humala. Del Castillo noted that the Bolivian President's latest statements coincided with the Anniversary of the Battle of the Arc of the Alliance, a War of the Pacific event when Bolivian Army units abandoned their Peruvian allies. The implied message was that Bolivia was betraying Peru yet again. Del Castillo concluded by stating that Peru and Bolivia had generally had good, fraternal relations but that, "the Bolivians can be strange."

¶6. (C) Del Castillo said that the poll released that day by Datum indicated that things were moving Garcia's way in the campaign. While Humala had gone up 16 points (moving from 31 percent, his first round percentage, to 46 percent in the Datum poll), Garcia had moved further (going from 26 percent to 54). This indicated that the majority of Paniagua and

Lourdes voters would go with Garcia and boded well for APRA's campaign. That said, del Castillo warned that APRA still had to "avoid triumphalism" as it entered the second round.

¶7. (C) The Ambassador asked about alliances. Del Castillo said that there would be no alliance between APRA and UN for the second round, as had just been suggested by Mario Vargas Llosa. He stated that this would only play into Humala's hands, who would denounce any such pact as an arrangement between old style politicians. After the elections, del Castillo said, APRA would look to govern with others though the focus on winning the second round had displaced detailed planning for a governing coalition. That said, he thought APRA would want a formal coalition with Unidad Nacional and the Frente del Centro to secure a dependable Congressional majority. He predicted that APRA would be willing to throw cabinet seats into such a deal. The one group del Castillo singled out as problematic was the Fujimoristas. If they insist on amnesty for ex-President Fujimori, they will go nowhere. If they can get beyond that issue, del Castillo said, it might be possible to deal with them, since they represent a sizeable (13-15) bloc in the next Congress.

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